

TOWN OF DACOMA
WOODS COUNTY, OKLAHOMA
ACCOUNTANT'S REPORT
FISCAL YEAR ENDED
JUNE 30, 2013

WILLIAM K. GAUER
CERTIFIED PUBLIC ACCOUNTANT
WATONGA, OKLAHOMA

CONTENTS

Exhibit

Contents	
Accountant's report	
Town:	
Summary of Changes in Fund Balances-Budgetary Basis	A
Budgetary Comparison Schedule General Fund – Budgetary Basis	B
Public Works Authority:	
Summary of Changes in Fund Balances— Budgetary Basis	C
Statement of Revenue, Expenses and Changes in Fund Balance—Budgetary Basis	D
Grants:	
Schedule of Grain Activity – Cash Basis	E

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**INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON
PROCEDURES THAT INCLUDES AN ACCOUNTANT'S COMPILATION REPORT ON
ACCOMPANYING FINANCIAL STATEMENTS COMPILED BY THE ACCOUNTANT**

Independent Accountant's Report

To the Specified Users of the Report:

Town Board, Town of Daoma
Daoma, Oklahoma

Trustees of the Dacoma Public Works Authority
Dacoma, Oklahoma

Oklahoma Office of State Auditor and Inspector
Oklahoma City, Oklahoma

I have compiled the accompanying Summary of Changes in Fund Balances-Cash Basis of the Town of Dacoma and Public Trusts, Example, Oklahoma as of June 30, 2013 and the related Budgetary Comparison Schedule of General Fund-Cash Basis, Statement of Revenues, Expenses and Changes in Fund Balance of Public Works Authority-Cash Basis, and Schedule of Grant Activity-Cash Basis for the fiscal year ended June 30, 2013. The financial statements have been prepared in a format and basis of accounting, as prescribed by Oklahoma Statutes, that demonstrates compliance with the cash basis and budget laws of the State of Oklahoma, which is a comprehensive basis of accounting other than generally accepted accounting principles. I have not audited or reviewed the financial statements referred to above, and accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with the cash basis described above.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the cash basis of accounting and the requirements of Oklahoma Statutes and for designing, implementing, and maintain internal controls relevant to the preparation and fair presentation of the financial statements.

My responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements without undertaking to obtain or provide an assurance that there are no material modifications that should be made to the financial statements.

**INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON
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(Continued)**

Town of Dacoma and Public Trust

Page

Management has elected to omit substantially all of the disclosures ordinarily included in financial statements prepared in accordance with the cash basis of accounting. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the Town's assets, liabilities, equity, revenues and expenses. Accordingly, these financial statements are not designed for those who are not informed about such matters.

Additionally, I have performed the procedures enumerated below which were agreed to by the specified users of the report, as identified above, and as defined within the applicable state laws of the State of Oklahoma solely to assist the Town and Public Works Authority in meeting its financial accountability requirements as prescribed by Oklahoma Statutes §11-1-17 (105-107) and §60-180.1-.3 and evaluating compliance with specified legal or contractual requirements for the fiscal year ended June 30, 2013. Management of the Town of Dacoma is responsible for the Town's financial accountability and its compliance with those legal and contractual requirements. This agreed-upon procedures engagement was conducted in accordance with the attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of those parties specified in this report. Consequently, I make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Procedures and Findings

As to the **Town of Dacoma** as of and for the fiscal year ended June 30, 2013:

1. **Procedures Performed:** From the Town's trial balances, we prepared a schedule of changes in fund balances for each fund (see accompanying Exhibit A) and compared the schedule results to the statutory prohibition of creating fund balance deficits to report any noted instances of noncompliance.

Findings: None

2. **Procedures Performed:** From the Town's trial balances, we prepared a budget and actual financial schedule for the General Fund and any other significant funds listing separately each federal fund (see accompanying Exhibit B) and compared the actual expenditures and encumbrances reported to the authorized appropriations to report any noted instances of noncompliance with the appropriation limitations.

Findings: None

3. **Procedures Performed:** We agreed the Town's material bank account balances to bank statements, and traced the timely clearance of significant reconciling items to report any significant or unusual instances of reconciling items that have not cleared.

Findings: None

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(Continued)**

Town of Dacoma and Public Trust
Page

4. Procedures Performed: We compared the Town's uninsured deposits to fair value of pledged collateral to report any amounts of uninsured and uncollateralized deposits.

Findings: None

5. Procedures Performed: We compared use of material-restricted revenues and resources to their restrictions to report any noted instances of noncompliance.

Findings: None

6. Procedures Performed: We compared the accounting for the Town's activities by fund to the legal and contractual requirements for separate funds to report any noted instances of noncompliance.

Findings: None

7. Procedures Performed: We compared the Town's account balances in reserve accounts to contractually required balances and debt service coverage requirements of bond indentures to the actual coverage to report any noted instances of noncompliance.

Findings: None

As to the **Dacoma Public Works Authority**, as of and for the fiscal year ended June 30, 2013:

1. Procedures Performed: From the Authority's trial balances, we prepared a schedule of revenues, expenditures/expenses and changes in fund balances/net assets for each fund (see accompanying Exhibit C) and compared the schedule results to the applicable trust prohibitions for creating fund balance deficits to report any noted instance of noncompliance.

Findings: None

2. Procedures Performed: We agreed the Authority's material bank account balances to bank statements, and traced the timely clearance of significant reconciling items to report any significant or unusual instances of reconciling items that have not cleared.

Findings: None

3. Procedures Performed: We compared the Authority's uninsured deposits to fair value of pledged collateral to report any amounts of uninsured and uncollateralized deposits.

Findings: None

**INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON
PROCEDURES THAT INCLUDES AN ACCOUNTANT'S COMPILATION REPORT ON
ACCOMPANYING FINANCIAL STATEMENTS COMPILED BY THE ACCOUNTANT**

(Continued)

Town of Dacoma and Public Trust

Page

4. Procedures Performed: We compared the Authority's use of material-restricted revenues and resources to their restrictions to report any noted instances of noncompliance.

Findings:

5. Procedures Performed: We compared the accounting for the Authority's activities by fund to the legal and contractual requirements for separate funds to report any noted instances of noncompliance.

Findings: None

6. Procedures Performed: We compared the Authority's account balances in reserve accounts to contractually required balances and debt service coverage requirements of bond indentures to the actual coverage to report any noted instances of noncompliance.

Findings: None

As to the **Town of Dacoma and Public Works Grant Programs**, as of and for the fiscal year ended June 30, 2013:

1. Procedures Performed: From the Town and Authority's trial balances, we prepared a schedule of grant activity for each grant/contract (see accompanying Exhibit D) and compared the receipts and disbursements to grant agreements and supporting information to report any noted instances of noncompliance with the grant agreement.

Findings: Grant schedule of activity needs to include CFDA and other identifying contract numbers or information.

I was not engaged to and did not conduct an examination, the objective of which would be the expression of an opinion on compliance. Accordingly, we do not express such an opinion. Had I performed additional procedures, other matters might have come to my attention that would have been reported to you.

This report is intended solely for the information and use of the specified users, as identified above, and is not intended to be and should not be used by anyone other than these specified parties.


October 31, 2013

Exhibit A
Town of Dacoma
And

Dacoma Public Works Authority
Summary of Changes in Fund Balances-Budgetary Basis
For the Fiscal Year Ended June 30, 2013

	Beginning of Year	Current Year	Current Year	End of Year
	Fund Balances	Revenue	Expenditures	Fund Balances
TOWN:				
General Fund:				
Operating Account	\$ 19,780	\$ 84,889	\$ 55,993	47,188
Investments (CD)	166,231	1,488	-	167,719
Total General Fund	186,011	86,377	55,993	214,907
Business Activity Center	25,596	78,306	56,209	47,693
REAP Grant Fund	-	-	-	-
Town Subtotal	211,607	164,683	112,202	262,599
PUBLIC WORKS AUTHORITY:				
PWA Utility Fund	197,668	246,281	140,449	303,500
PWA Escrow Fund	13,738	81	-	13,819
PWA Subtotal	211,407	246,362	140,449	317,320
Overall Totals	\$ 423,013	\$ 411,045	\$ 252,651	579,918.79

Exhibit B
Town of Dacoma
Budgetary Comparison Schedule General Fund-Budgetary Basis
For the Fiscal Year Ended June 30, 2013

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
				<u>Positive (Negative)</u>
Beginning Budgetary Fund Balance:	\$ 186,011	\$ 186,011	\$ 186,011	\$ -
Resources (Inflows):				
Taxes:				
Franchise Tax	4,751	4,751	5,586	835
Total Taxes	<u>4,751</u>	<u>4,751</u>	<u>5,586</u>	<u>835</u>
Intergovernmental:				
Motor Vehicle Tax	2,553	2,553	2,873	320
Alcoholic Beverage Tax	-	-	-	-
Gas Excise Tax	-	-	402	402
Grant Revenue	-	-	-	-
Total Intergovernmental	<u>2,553</u>	<u>2,553</u>	<u>3,275</u>	<u>722</u>
Charges for Services:				
Water Utility	4,703	4,703	5,931	1,227
Total Services	<u>4,703</u>	<u>4,703</u>	<u>5,931</u>	<u>1,227</u>
Investment Income	<u>903</u>	<u>903</u>	<u>1,670</u>	<u>767</u>
Miscellaneous Income				
Royalty	-	-	30,232	30,232
Rental Income	11,070	11,070	12,320	1,250
Refunds, misc.	-	-	10,837	10,837
Other Financing Sources:				
Transfer from Other Funds	-	-	15,038	15,038
Total Resources	<u>23,980</u>	<u>23,980</u>	<u>84,889</u>	<u>60,909</u>
Amounts Available for Appropriation	<u>209,991</u>	<u>209,991</u>	<u>270,900</u>	<u>60,909</u>
Charges to Appropriations (Outflows):				
Personnel Services	20,000	20,000	473	(19,528)
Maintenance and Operations	100,000	100,000	48,897	(51,103)
Capital Outlay	89,796	89,796	6,624	(83,172)
Other Financing Uses:				
Transfers to other funds	-	-	-	-
Total Charges to Appropriations	<u>209,796</u>	<u>209,796</u>	<u>55,993</u>	<u>(153,803)</u>
Ending Budgetary Fund Balance	<u>195</u>	<u>195</u>	<u>214,907</u>	<u>214,712</u>

See Accompanying Accountant's Report

Exhibit C
Dacoma Public Works Authority
Summary of Changes in Fund Balances--Budgetary Basis
For the Fiscal Year Ended June 30, 2013

	Beginning of Year	Current Year	Current Year	End of Year
	<u>Fund Balances</u>	<u>Revenue</u>	<u>Expenditures</u>	<u>Fund Balances</u>
PWA Operating Fund:				
Cash Account	42,162	185,653	136,111	91,704
Escrow Account	-	-	-	-
Investments (CD)	89,802	60,628	-	150,430
Escrow Investments (CD)	13,738	81	-	13,819
Total Current	145,702	246,362	136,111	255,954
	25,596			
PWA Capital Assets				
Property and Equipment	308,884	-	-	308,884
Accumulated Depreciation	(132,126)	-	7,722	(139,848)
Total PWA Fixed Assets	176,758	-	7,722	169,036
PWA Liabilities:				
FMA \$110,000 Note	82,571	-	2,421	80,150
FMA \$ 40,000 Note	28,483	-	963	27,520
TOTAL PWA Liabilities	111,054	-	3,384	107,670
PWA Subtotal	211,407	246,362	140,449	317,320

See Accompanying Accountant's Report

Exhibit D
Dacoma Public Works Authority
Statement of Revenues, Expenses and Changes in Fund Balance-Budgetary Basis
For the Fiscal Year Ended June 30, 2013

Operating Revenues:	
Charges for Services:	\$ 185,653
Utility Receipts	-
Penalties and Charges	-
Total Operating Revenues	<u>185,653</u>
Operating Expenses:	
Operations	2,607
Water	39,839
Trash	16,245
Sewer (Town)	5,226
System Repair	378
Postage	593
DEC Fee	267
Audit	2,000
Depreciation	7,722
Other	100
Total Operating Expenses:	<u>74,977</u>
Operating Income	110,676
Non-Operating Revenue (Expenses):	
Investment Income	742
Interest Expense	(5,476)
Miscellaneous	-
Total Non-Operating Revenues (Expenses)	<u>(4,734)</u>
Net Income (Loss) Before Contributions and Transfers	105,942
Capital Contributions	
Transfers In	-
Transfers Out	-
Change in Fund Balance	105,942
Fund Balance - Beginning	<u>211,377</u>
Fund Balance - Ending	<u><u>\$ 317,320</u></u>

EXHIBIT E
Town of Dacoma and Dacoma Public Works Authority
Blaine County, Oklahoma
Schedule of Grant Activity
For Year Ended June 30, 2013

	<u>Grant Award</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Remainder</u>
TOWN:				
Dept of Ag				
Fire Department	\$ 4,484	\$ 4,484	\$ 4,484	\$ -
				-
				-
				-
Town Subtotal	<u>4,484</u>	<u>4,484</u>	<u>4,484</u>	<u>-</u>
PUBLIC WORKS AUTHORITY:				
PWA Subtotal	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Overall Totals	<u>\$ 4,484</u>	<u>\$ 4,484</u>	<u>\$ 4,484</u>	<u>\$ -</u>